

criteria the SEA will use to award subgrants to LEAs and IEUs, including any priorities established by the SEA under § 304.51(b) (see § 304.40 and subpart F, “What Conditions Must Be Met by an SEA, LEA, or IEU?”).

(Approved by the Office of Management and Budget under control number 1820-0534)

(Authority: 20 U.S.C. 1406)

[50 FR 29330, July 18, 1985, as amended at 53 FR 6945, Mar. 3, 1988]

§§ 304.12—304.14 [Reserved]

APPLICATION FROM THE SECRETARY OF THE INTERIOR

§ 304.15 Submission of an application by the Secretary of the Interior.

In order to receive a grant under this part, the Secretary of the Interior shall submit an application that is consistent with the requirements under § 304.11.

(Authority: 20 U.S.C. 1406)

[53 FR 6945, Mar. 3, 1988]

§ 304.16 Applicable regulations.

The Secretary of the Interior shall comply with all the requirements that apply to SEAs under subparts A, C, F, and G of this part.

(Authority: 20 U.S.C. 1406)

[53 FR 6945, Mar. 3, 1988]

§§ 304.17—304.19 [Reserved]

Subpart C—How Does the Secretary Make a Grant?

§ 304.20 Amount of a grant.

(a) For the purpose of this section—

(1) The term *Insular Area* means American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; and

(2) The term *children with disabilities* means the number of children with disabilities determined by the Secretary—

(i) Under section 611 of the Act, to be receiving special education and related services; or

(ii) In average daily attendance at schools for children with disabilities or supported by a State agency within the meaning of section 1221 of chapter 1 of

title I of the Elementary and Secondary Education Act of 1965.

(b) The amount of an SEA's grant under this part for a State other than an Insular Area is determined by—

(1) Dividing the number of children with disabilities in that State by the total number of children with disabilities in all States submitting approvable applications under this part; and

(2) Multiplying that fraction by the amount of funds available for grants under this part minus the amount reserved under paragraphs (c) and (d) of this section.

(c) The Secretary reserves up to one-half of one percent of the aggregate of the amounts available under this part for grants to Insular Areas. Funds reserved by the Secretary for the Insular Areas are allocated proportionately among them on the basis of the number of children ages three through twenty-one in each Insular Area. However, no Insular Area may receive less than \$15,000, and allocations within these jurisdictions are ratably reduced, if necessary, to ensure that each Insular Area receives at least that amount. Allocations within these jurisdictions are further ratably reduced if the amount reserved is insufficient to provide \$15,000 to each Insular Area.

(d) From any appropriation enacted after September 30, 1986, the Secretary reserves up to 1.25 percent of the aggregate amount available under this part for a grant to the Secretary of the Interior to be used on reservations served by schools operated for Indian children by the Department of the Interior.

(Authority: 20 U.S.C. 1406)

[50 FR 29330, July 18, 1985, as amended at 53 FR 6945, Mar. 3, 1988; 56 FR 54689, Oct. 22, 1991]

§ 304.21 Reallocation of excess funds.

The Secretary may reallocate funds—or portions of those funds—made available to the Secretary of the Interior or to a State educational agency under this part if the Secretary determines that the Secretary of the Interior or the State educational agency cannot use the funds in a manner consistent with the requirements of applicable statutes and the regulations in this part. Any reallocation is made on the